

§ 159-100. Authorization.

(a) Revenue Bond Act. – The State and local governmental units are authorized to issue capital appreciation bonds pursuant to the provisions of The State and Local Government Revenue Bond Act.

(b) Local Government Bond Act. – Local governmental units are authorized to issue capital appreciation bonds pursuant to the provisions of The Local Government Bond Act. In connection with the issuance of a series of bonds containing capital appreciation bonds issued by local governmental units pursuant to The Local Government Bond Act, the Local Government Commission may require that annual debt service on the series of bonds be as nearly level or equal as possible taking into consideration prevailing financial techniques, including, without limitation, the postponement of principal maturities in early years of the issue and the use of capitalized interest. The Local Government Commission may also limit the amount of a series of bonds that may be issued as capital appreciation bonds and to make the issuance of any capital appreciation bonds subject to a finding by the Commission or the issuer that the issuance of the bonds will not increase the aggregate amount of debt service payable on the series of bonds of which the capital appreciation bonds constitute a part.

(c) Future Acts. – Local governmental units are authorized to issue capital appreciation bonds pursuant to the provisions of any law enacted in the future. (1987, c. 650; 2004-170, ss. 40(b), 40(c).)